ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF [261]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 15.104 and 15.106, the Iowa Department of Economic Development rescinds Chapter 110, "Lean Manufacturing Institute," and amends Chapter 111, "Supplier Capacity and Product Database Program," Iowa Administrative Code.

Notice of Intended Action was published in the Iowa Administrative Bulletin on August 12, 2009, as **ARC 8031B**.

These amendments update Iowa Code citations; add references to 2009 Iowa Acts, Senate File 142, section 1, which permits moneys in the Innovation and Commercialization Fund to be used for supply chain initiatives; revise the title of Chapter 111; add a definition of "performance improvement programs"; and rescind Chapter 110, "Lean Manufacturing Institute." The revised Supply Chain Development Program incorporates activities currently found in Chapter 110. These amendments will allow applicants with projects that qualified under the Lean Manufacturing Institute to qualify under the Supply Chain Development Program.

A public hearing about the proposed amendments was held on September 11, 2009. No written or oral comments were received about the proposed amendments. The final amendments are identical to the proposed amendments.

The Iowa Economic Development Board adopted these amendments on September 17, 2009.

These amendments will become effective on November 11, 2009.

These amendments are intended to implement Iowa Code section 15.411 as amended by 2009 Iowa Acts, Senate File 142, section 1.

The following amendments are adopted.

- ITEM 1. Rescind and reserve 261—Chapter 110.
- ITEM 2. Amend **261—Chapter 111**, title, as follows:

 SUPPLIER CAPACITY AND PRODUCT DATABASE SUPPLY CHAIN

 DEVELOPMENT PROGRAM
- ITEM 3. Amend **261—Chapter 111**, parenthetical implementation statutes, as follows: (82GA,ch122 15,83GA,SF142)
- ITEM 4. Amend rule 261—111.1(15,83GA,SF142) as follows:
- 261—111.1(15,83GA,SF142) Authority. The authority for establishing rules governing the supplier eapacity and product database supply chain development program is 2007 Iowa Acts, chapter 122, section 7(2) Iowa Code section 15.411(10).
- ITEM 5. Rescind the definition of "Supplier capacity and product database" in rule **261—111.3(15,83GA,SF142)**.
- ITEM 6. Adopt the following <u>new</u> definition of "Performance improvement programs" in rule **261—111.3(15,83GA,SF142)**:

"Performance improvement programs" means process management philosophies, best practices, and appropriate tools from methodologies in use in manufacturing total quality and value systems that support supply chain development and provide a competitive advantage.

- ITEM 7. Amend subrule 111.4(2) as follows:
- 111.4(2) Funds shall be used for the analysis of targeted industry clusters and the development and delivery of manufacturing supply chain development programs. Funds may be used for personnel salaries, software, research data services, and training the development and delivery of performance improvement programs. Funds shall not be used to purchase equipment. Funds may be used for the systematic design and layout planning for manufacturing operational areas and to purchase machinery and equipment.

ITEM 8. Amend subrule 111.11(3) as follows:

111.11(3) Reporting. An applicant shall submit any information requested by the department in sufficient detail to permit the department to prepare the report required pursuant to 2008 Iowa Acts, House File 2450, section 6(9) "I," Iowa Code section 15.104(9) "I" and any other reports deemed necessary by the department, the board, the general assembly or the governor's office.

ITEM 9. Amend **261—Chapter 111**, implementation sentence, as follows:

These rules are intended to implement 2007 Iowa Acts, chapter 122, section 7(2) Iowa Code section 15.411 as amended by 2009 Iowa Acts, Senate File 142, section 1.

[Filed 9/17/09, effective 11/11/09] [Published 10/7/09]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/7/09.